

What Women Want – Senate Inquiry

Press release, November 21, 2005

Increased poverty – That's not what we want

Marie Coleman, National Foundation of Australian Women will represent more than 60 national women's organizations when presenting to the Senate Inquiry today. "Our organisations' members are the mothers, grandmothers, wives, sisters, aunts of the children and the adults who will be affected by these policies. We are young women, workers and students; we are the older women; we are women in the home and women in the workforce. We are women employers, and women who are employees. We are women in the cities and in the country towns. We are women of many faiths and many cultural backgrounds. We are typical women of Australia."

"We see Welfare to Work as unnecessarily harsh and punitive. We see the plain evidence, based on our research, of the lower rates of income support payments, allied with poor bargaining powers in the workforce, which will lead to sharply increased levels of child and individual poverty."

The What Women Want group's submission draws the Committee's attention to the failure of Government policy to recognise and deal with the issue of excessive Effective Marginal Tax Rates (EMTRs), as established in the National Centre for Social and Economic Modeling (NATSEM) reports. This means that work-force participation for sole parents and people with disabilities produces insuperable financial disincentives.

This modeling cannot and does not take into account additional sources of likely loss of income- such as costs of working (child care, travel, clothes). Nor does it take into account the likely claw-back faced by current pensioner residents of State public housing, who will face steep increases in rentals per dollar of privately earned income. In instances where pension recipients (or Newstart recipients) have Centrelink debts to be repaid, participation in the workforce is likely to lead to an actual net loss of income.

The emphasis in the new policy moves from breaching (where the penalty is a percentage of payment for a specified period) to suspension from payment altogether for up to 8 weeks. Individuals or families could face income losses of \$1600 or more. While Centrelink may help pay beneficiaries' fixed costs, such as utilities accounts if they are being case managed it is still not clear how this applies. This situation may be exacerbated as all cash savings must be used before an applicant is eligible for Newstart so they will not have any buffer.

Sue Conde, Australian Women's Coalition adds that "the 8 week non-payment period is of great concern. The guidelines announced by Minister Dutton state that this will apply to those who, 'without good reason ... refuse a job offer or leave a job voluntarily; and to very long-term unemployed job seekers who fail to participate in full-time Work for the Dole'."

- There are no details provided on what constitutes "good reason".
- For those who refuse a job offer – what happens if the job offer is for shift work at times that are not family-friendly?
- For those who leave a job voluntarily – what if the reason for leaving is sexual harassment? Or failure of child care arrangements? Or family illness – especially with an ageing population and the burden of care for parents likely to fall increasingly on adult children?
- What of the individual with a mental health problem which leads to dismissal? Will they suffer an immediate cessation of any financial support of this nature?

How will the family survive in this period of suspension? Will charities and the States' child welfare systems become the last resort for support? Will some women choose to remain in potentially violent or otherwise child-damaging situations to avoid the rigours of this new policy? Child and individual poverty will ineluctably result.

Alex Haynes, Security4Women highlighted another important concern of the group about the inability of Newstart recipients to access part time education. "There is abundant evidence that for women acquisition of appropriate educational qualifications is the best predictor for a move out of poverty (welfare dependence)

and into life affirming workforce participation. The majority of women currently in receipt of parenting payments who are not already working part time have no education beyond Year 12 and many have not completed Year 10. Access to part time education is critical to improve the long term situation of these women and their families."

The What Women Want group urges careful reconsideration by this Committee, the Senate and the Parliament as a whole before this legislation becomes law and recommends that a careful and independent review of the social impacts of the legislation be established and enacted at twelve monthly intervals.

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